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Overview of collective bargaining in Canada 2014

Workplace Information and Research Division
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Overview of collective bargaining in Canada 2014

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Table des matières

In brief: 5

Introduction 5

Steady economic growth characterizes 2014 5

Household consumption and exports driving Canadian economic growth 5

Improved economic landscape in the U.S. 6

Canada a leader in economic growth among advanced economies 6

Labour Market 6

2014 Oil Price Drop Affects 2015 Economic Outlook 6

Fewer settlements 7

Chart 1: Total settlements reached 7

Chart 2: Settlements reached by sector 7

Chart 3: Settlement rate of negotiations by industry 7

Majority of covered employees in education, health, and social services industry 8

Chart 4: Employment distribution by industry 8

Wage gain below annual inflation 8

Chart 5: Wage adjustments and inflation 8

Chart 6: Proportion of employees by wage gain 8

Wage growth across sectors 9

Chart 7: Wage adjustments by sector 9

Public sector wage increases 9

Chart 8: Wage adjustments by jurisdiction and sector 9

Private sector wage increases 10

Chart 9: Wage adjustments by jurisdiction (number of agreements in brackets) 10

Wage growth across industries 10

Chart 10: Wage adjustments by industry 10

Few notable trends in average wage adjustments 11

Table 1: Average wage adjustments by major industry 11

Agreements in force **11**

Chart 11: Wage adjustments in agreements in force, by sector, 2005-2014 12

Duration of collective agreements **12**

Chart 12: Duration of collective agreements by industry, 2013 and 2014 12

Chart 13: Duration of collective agreements, 2013 and 2014 12

Clauses of interest in collective agreements **13**

Leave clauses 13

Electronic monitoring 13

Employee motivation 13

Multiculturalism fund 13

Bonus pay 13

Work stoppages **14**

Chart 14: Duration of work stoppages by jurisdiction 14

Chart 15: Duration of work stoppages by industry 14

Union coverage in Canada **14**

Overall coverage 14

Table 2: Union coverage by province, 2013-2014 15

Union coverage by province 15

Union coverage by industry 15

Chart 16: Union density, by industry, 2013 and 2014 15

Union congresses, affiliations, and mergers 15

Chart 17: Union congress affiliation in Canada, 2014 16

Looking Ahead **16**

IN BRIEF:

- A total of 718 major1 collective bargaining negotiations were underway in 2014. Of these, 242 were settled, covering 723,855 employees across Canada. This is a significant decrease from the 500 agreements settled in 2013.
- Over half (58%) of the employees who ratified their agreements in 2014 were in the education, health, and social services industry.
- The annual average wage adjustment resulting from all major settlements in 2014 was 1.7%, up from 1.4% in 2013. Following trends seen in three of the past four years, wage adjustments were higher in the private sector (2.3%) than in the public sector (1.5%). The average wage gain in the public sector was also below the 2014 rate of inflation (2.0%)
- Work stoppages in 2014 resulted in 1,248,040 person days not worked (PDNW), the highest since 2009. This significant increase in PDNW in 2014 was primarily due to the prolonged strikes staged by 42,450 public school teachers in British Columbia.

INTRODUCTION

This report focuses on collective bargaining outcomes in Canada during 2014. It begins by describing the economic and labour market climate over the past year. It then provides an overview of agreements, wage settlements, contract duration, negotiated work conditions, work stoppages, and union coverage.

Steady economic growth characterizes 2014

Household consumption and exports driving Canadian economic growth

In a global economic environment that is still recovering from the 2008-2009 recession, Canada experienced continued and steady economic growth in 2014. Several components of gross domestic product (GDP)[2] highlight this progress:

- Household final consumption grew by 2.9% in 2014, up from 2.5% in 2013.
- Business fixed investment grew by 0.9% in 2014, also up from the 2013 rate of 0.6%.
- The rate of growth of exports of goods and services was up significantly in 2014 (4.9%) compared to 2013 (1.4%).
- Although still positive, reflecting the continued focus on deficit reduction, the rate of growth in government consumption expenditures was lower in 2014 (0.3%) than in 2013 (0.4%).

[1] All data reported in this report relates to major collective agreements covering 500 or more employees across Canada. Results presented in this report are based on 2014 data.

[2] Statistics Canada, Gross domestic product at 2007 constant prices, Table 380-0106.

Fueled largely by the growth in consumption and exports, the Canadian GDP grew by 2.5% in 2014, up from 2.0% in 2013.[3]

Improved economic landscape in the U.S.

As Canada's largest trading partner, the health of the U.S economy has a major impact on Canada's economic performance, especially on demand for Canadian exports.

The U.S. GDP grew at a rate of 2.4% in 2014, up from 2.2% in 2013.[4] As another sign of confidence in the economic recovery, the U.S. Federal Reserve ended its policy of quantitative easing in October. In addition, the unemployment rate decreased from 7.4% in 2013 to 6.2% in 2014.[5]

Canada a leader in economic growth among advanced economies[6]

Global GDP grew at a rate of 3.3% in 2014, the same rate as in 2013. Advanced economies, however, grew at a slower pace (1.8%) than the global average. Canada experienced faster growth than many of these advanced economies in 2014. For example, Canada's GDP growth rate was higher than the Euro Area (0.8%) and Japan (0.1%), and similar to that of the United Kingdom (2.6%).

GDP among developing economies increased at a rate of 4.4% (down from a rate of 4.7% in 2013).

Labour Market[7]

Employment grew in 2014 by 0.6%, down from a growth rate of 1.5% in 2013. Partly due to Canada's ageing population, the participation rate dropped from 66.5% in 2013 to 66.0% in 2014. Part-time employment grew at a faster rate (1.6%) than full time employment (0.4%).

Unemployment in Canada dropped to 6.9% in 2014, down from 7.1% in 2013. However, the unemployment rate varied by region. Unemployment rates were relatively high in the Atlantic Provinces: 11.9% in Newfoundland and Labrador; 10.6% in Prince Edward Island, and 9.9% in New Brunswick. Unemployment was lowest in Saskatchewan (3.8%) and Alberta (4.7%).

The number of people experiencing long-term unemployment[8] continued to be higher than the pre-2008 2009 recession levels.[9] Although the number of people experiencing unemployment with a duration of 27 weeks or greater decreased by 2.3% from 2013 to 2014, this group makes up 20.0% of the total number of unemployed. In comparison, in 2007, the number of people experiencing unemployment with a duration of 27 weeks or greater made up 13.3% of the total number of unemployed.

2014 Oil Price Drop Affects 2015 Economic Outlook

Due largely to an excess supply of oil on the market, oil prices plunged from a high of $106 U.S. per barrel in June 2014 to a low of $59 U.S. in December.[10] The effects of the low oil prices were not immediately felt across the entire economy in 2014, although consumers saw a significant reduction in gasoline prices in the latter half of the year.

The Bank of Canada predicts that lower oil prices will be negative for the overall economy in 2015[11] and GDP growth is not predicted to rebound until the second quarter of 2016.[12] The Bank expects an increase in unemployment in the energy sector and that housing market activity in oil-producing regions will likely slow. Government revenues generated through taxation and oil and gas

[3] Statistics Canada (March 2015), Canadian economic accounts, fourth quarter 2014 and December 2014.
[4] Bureau of Economic Analysis, National Income and Product Accounts Gross Domestic Product.
[5] United States Department of Labour, Unemployment Rate.
[6] All global GDP data sourced from: IMF (January 2015), World Economic Outlook Update.
[7] All labour force data sourced from Statistics Canada, Labour Force Survey Estimates, Table 282-0002.
[8] Unemployment with a duration of 27 weeks or greater.
[9] All unemployment duration data sourced from Statistics Canada, Labour Force Survey Estimates , duration of unemployment, Table 282-0048.
[10] U.S. Energy Information Administration, Cushing, OK WTI Spot Price FOB.
[11] Bank of Canada (January 2015). *Monetary Policy Report.*
[12] Bank of Canada (April 2015), *Monetary Policy Report Summary.*

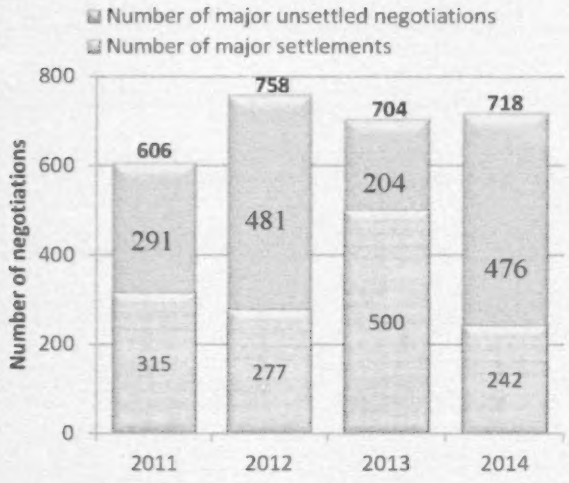
royalties will also shrink. Although the overall effect on the economy is predicted to be negative, the manufacturing sector stands to benefit from lower transportation costs and stronger demand for Canadian exports from the U.S.

In this economic and labour market context, the remainder of this report examines developments in collective bargaining over the past year.

FEWER SETTLEMENTS

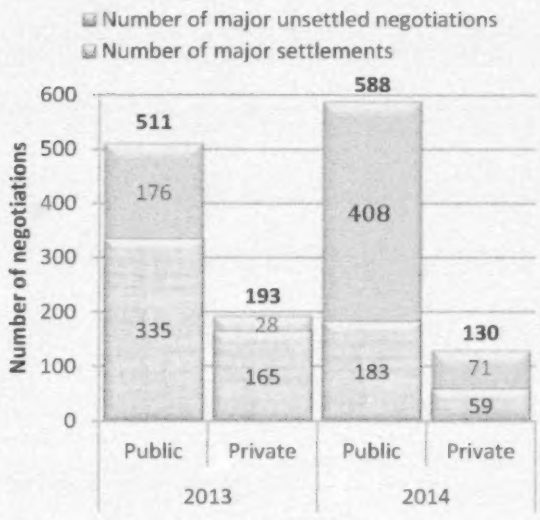
A total of 718 major negotiations were underway for 2014, of which 208 were carried over from 2013 (Chart 1). Although there were more negotiations in 2014 than in 2013, there were fewer concluded settlements.

Chart 1: Total settlements reached



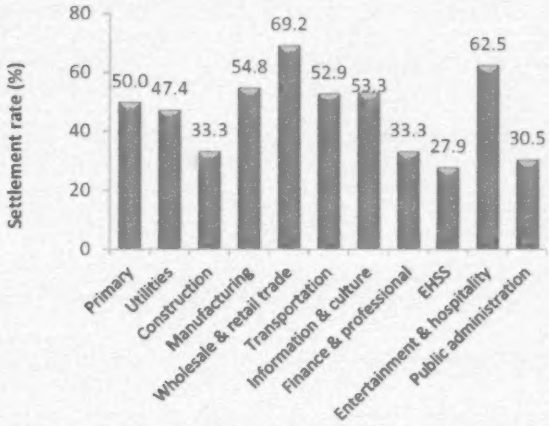
Between January and December 2014, 242 settlements covering 723,855 employees were reached across Canada. Of these settlements, 183 (covering 571,665 employees) were in the public sector. The remaining 59 agreements were in the private sector and covered 152,190 employees (Chart 2). In the federal jurisdiction, there were 74 major negotiations. Of these, 22 were settled by the end of December 2014, for 42,670 employees.

Chart 2: Settlements reached by sector



Amongst all industries, education, health, and social services (EHSS) had the highest number (114) of concluded negotiations. This, however, represents a settlement rate of 27.9%, the lowest among all industries (Chart 3). In contrast, wholesale and retail trade had the highest settlement rate at 69.2% (9 concluded out of 13 negotiations).

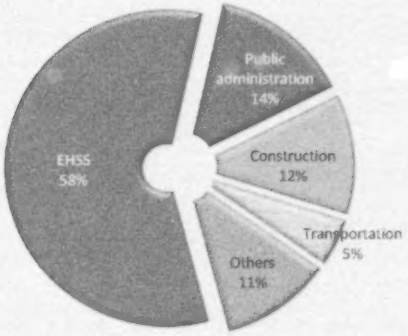
Chart 3: Settlement rate of negotiations by industry



MAJORITY OF COVERED EMPLOYEES IN EDUCATION, HEALTH, AND SOCIAL SERVICES INDUSTRY

Over half (58%) of employees who ratified their agreements in 2014 were in the EHSS industry. The second largest percentage of covered employees was in public administration (14%) (Chart 4).

Chart 4: Employment distribution by industry

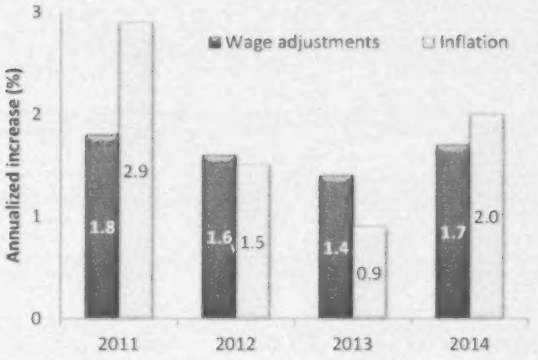


Amongst all employees covered by settled contracts in 2013, the EHSS also comprised the largest proportion (43%). However, employees in the construction industry made up the second largest group (27%) in that year.

Wage gain below annual inflation

The annual average wage adjustment in 2014 (1.7%) was below the inflation rate (2.0%) (Chart 5). According to the Bank of Canada, in 2015 the inflation rate is expected to range from 0.8% to 1.4% and hover around 2% through 2016 and 2017.[13] Many employees covered by the settlements reached during 2014 could therefore find their real wage shrinking over the duration of their contracts.

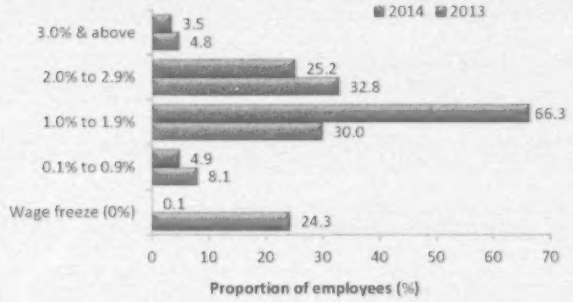
Chart 5: Wage adjustments and inflation



Among agreements that were settled in 2014, more than two-thirds of employees received wage adjustments between 1.0% and 1.9%, up from 30% in 2013. Twenty-nine percent received a wage adjustment above 1.9%, and the remaining 5% received below 1.0% (Chart 6).

In 2014, only 0.1% of employees were subject to a wage freeze. This is a significant change from 2013, when nearly a quarter of employees experienced a 0% increase.

Chart 6: Proportion of employees by wage gain

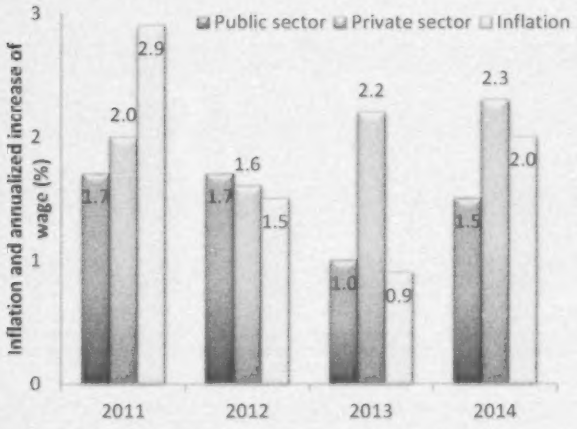


[13] Bank of Canada (April 2015), *Monetary Policy Report Summary*.

Wage growth across sectors

In 2014, three quarters of all agreements (76%) were settled in the public sector compared with 67% in 2013. Private-sector employees received a larger average wage increase (2.3%) than those in the public sector (1.5%). Wages in the private sector have been higher than those in the public sector in three of the past four years. In 2014, the average wage increase in the public sector was also below the rate of inflation (Chart 7).

Chart 7: Wage adjustments by sector

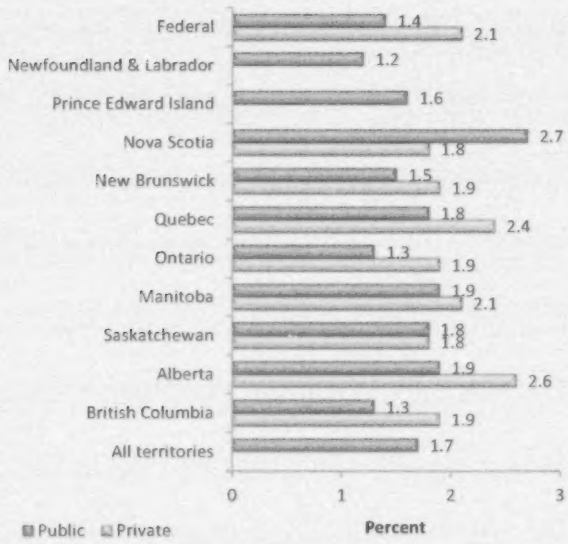


Public sector wage increases

In 2014, a total of 183 agreements were negotiated in the public sector, covering 571,665 employees. Employees in the public sector received a higher average wage adjustment in 2014 (1.5%) than in 2013 (1.0%).

Half[14] of the public sector agreements took place in Ontario and British Columbia, and these jurisdictions also contained up the largest proportion of employees (61%). However, the wage gains they received (both averaging 1.3%) ranked among the lowest increases (Chart 8).

Chart 8: Wage adjustments by jurisdiction and sector



The highest average wage growth in the public sector (2.7%) was recorded in Nova Scotia for 3,990 employees (three agreements). The 15,170 employees, covered by four agreements, in Newfoundland and Labrador received the lowest average adjustment (1.2%).

In the federal jurisdiction, 10 agreements, covering 20,170 public-sector employees, provided an average adjustment of 1.4%. A majority (77%) of these employees received average wage increases ranging between 1.0-1.9%, with no employees receiving an adjustment of more than 1.9%.

Among the territories, only one agreement was settled: the Government of Nunavut and its 710 public-sector employees agreed upon a wage adjustment of 1.7%.

[14] Among agreements provided to the Labour Program that included wage adjustment information.

Private sector wage increases

In the private sector, a total of 59 agreements were settled, covering 152,190 employees. The highest number of private-sector agreements[15] were in Ontario (17) and Quebec (11), which included an average increase of 1.9% and 2.4%, respectively.

The highest average wage increase in the private sector (2.6%) was recorded in Alberta for 5,620 employees in four agreements. The lowest increase (1.8%) occurred in both Nova Scotia (two agreements, 3,700 employees) and Saskatchewan (two agreements, 1,250 employees).

In the federal jurisdiction, 10 private-sector agreements were settled among 10,990 employees for an average wage adjustment of 2.1%. Thirty-eight percent of employees in the federal jurisdiction (representing the largest proportion of employees) received average wage increases ranging between 2.0-2.9%.

No private-sector agreements were settled in Newfoundland and Labrador, Prince Edward Island, or in any territory during the year.

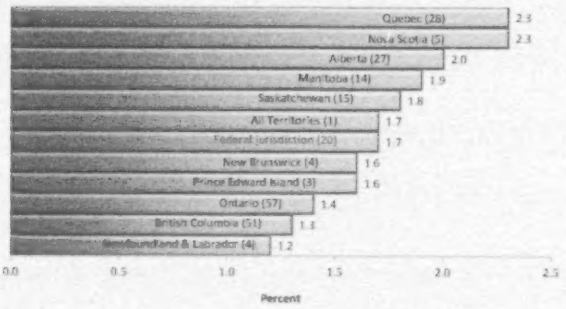
Wage growth across jurisdictions

The average wage gain in the federal jurisdiction was the same as in the provincial jurisdictions (1.7%). Amongst the provincial jurisdictions, the highest wage gain (2.3%) was recorded in two provinces:

- Quebec – A total of 100,030 employees in the province were covered by 29 agreements; and
- Nova Scotia – 5 agreements covered 7,690 employees.

Ontario and British Columbia saw the highest numbers of settled agreements (57 and 48 respectively). Employees covered by those agreements received average wage adjustments lower than the national average (1.4% and 1.3% respectively) (Chart 9).

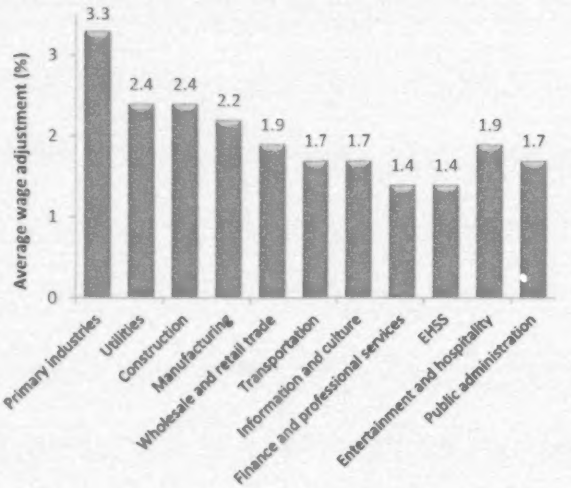
Chart 9: Wage adjustments by jurisdiction (number of agreements in brackets)



Wage growth across industries

Amongst all industries, employees in primary industries received the highest average wage adjustment (3.3%) (Chart 10). Although only two agreements (covering 1,110 employees) were settled in 2014, the primary industry has negotiated the highest wage gains for three consecutive years (2012-2014). Because this industry group includes organizations in the oil and gas extraction business, it will be interesting to see whether the plunge in oil prices in the latter half of 2014 has any effect on wage negotiations in 2015.

Chart 10: Wage adjustments by industry



[15] Among agreements provided to the Labour Program that included wage adjustment information.

In contrast, the EHSS industry (representing 58% of total employees in 105 agreements) recorded the lowest average wage growth at 1.4%. This wage gain represents a significant improvement for EHSS employees when compared to the 0.7% average wage increase received in 2013. The higher 2014 wage increase was partly due to the 7.25% salary increase (over six years) received by the approximately 42,000 teachers in British Columbia at the end of their strike in September. Hence, even though a large number of teachers in British Columbia received a significant wage increase, EHSS still recorded the lowest average among all industries due to the cost-control measures implemented in most provinces.

In addition to the primary industry, five industries had wage growth above the national average (1.7%):

- utilities (2.4% in nine agreements);
- construction (2.4% in six agreements);
- manufacturing (2.2% in 17 agreements);
- wholesale and retail trade (1.9% in nine agreements); and
- entertainment and hospitality (1.9% in 10 agreements).

FEW NOTABLE TRENDS IN AVERAGE WAGE ADJUSTMENTS

Divergent economic and labour market conditions play a role in wage increases across Canada. For example, in 2014, several provinces restrained spending to control budget deficits; Alberta faced dropping oil prices; and several provinces in Western Canada had tight labour markets. All of these circumstances, among others, placed pressure on wage adjustments. Consequently, no uniform trend in wage adjustments emerged across Canada in 2014.

In the federal jurisdiction, 20 agreements-10 each in public and private sectors-had the lowest wage gain (1.7%) since 2010. Public-sector settlements in the federal jurisdiction recorded the lowest average wage growth since 1996. Since 2010, wage gains in private-sector agreements in the federal jurisdiction have held steady at around 2.0%.

Over the past five years, wage adjustments have fluctuated within industries (Table 1). Average wage increases in the construction industry have remained around or over 2.0%, while those in the EHSS have not topped 1.6%. Information and culture is the only industry with no changes in wage gains in last three years, remaining at 1.7%.

Table 1: Average wage adjustments by major industry

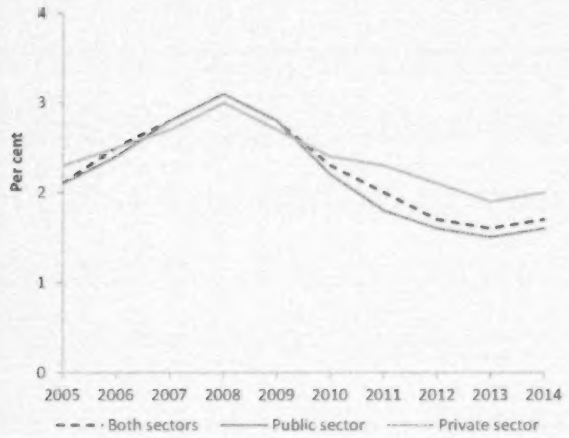
	2010	2011	2012	2013	2014
Construction	2.4	1.8	2.9	2.2	2.4
Manufacturing	1.4	1.9	0.9	1.9	2.2
Transportation	2.2	2.3	1.9	2.0	1.7
Information and culture	0.8	1.9	1.7	1.7	1.7
EHSS	1.6	1.5	1.5	0.7	1.4
Public administration	1.5	1.9	1.8	1.4	1.7

AGREEMENTS IN FORCE

The previous sections focused on wage adjustments recorded by the agreements settled in 2014. This section analyzes wage adjustments from "agreements in force." Agreements in force are those contracts that were 'in effect' during the year, regardless of the year in which they were negotiated. This not only includes the agreements ratified in 2014, but also agreements that were negotiated prior to 2014.

In 2014, 1,070 collective agreements were in force. These agreements generated an average wage increase of 1.7% for the 2.9 million employees they covered. This represents a slight increase from 2013, when some 3.0 million employees (covered by 1,113 collective agreements in force), received an average wage adjustment of 1.6% (Chart 11).

Chart 11: Wage adjustments in agreements in force, by sector, 2005-2014



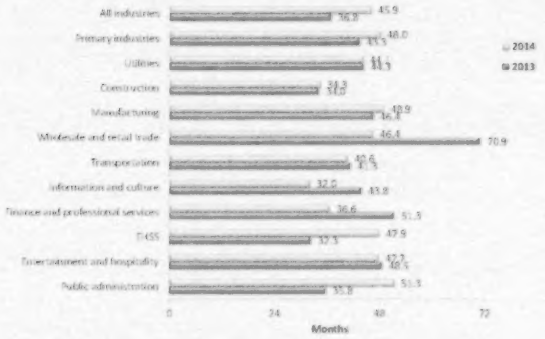
The average wage increase among agreements in force in the public sector in 2014 was lower (1.6%) compared to that in the private sector (2.0%). In the federal jurisdiction, the average wage increase was 2.3%, whereas in provincial jurisdictions it averaged 1.6%.

Amongst all industries, employees in the primary industry received the highest average wage adjustment (3.0%), while the lowest was recorded by employees in the wholesale and retail trade industry (0.5%). Modest wage increases were received by employees in education, health, and social services (1.4%) and those in public administration (1.9%).

DURATION OF COLLECTIVE AGREEMENTS

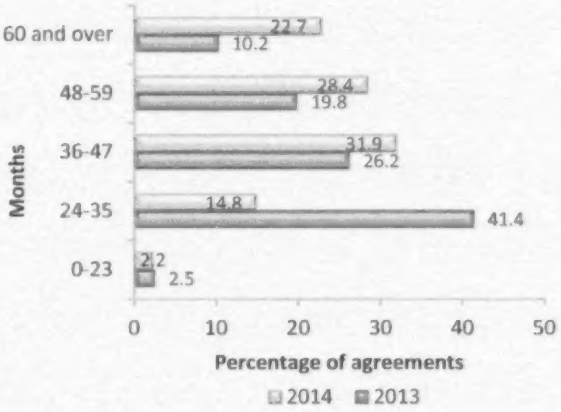
The average duration of all major agreements settled in 2014 was 45.9 months, longer than the 2013 average of 36.8 months. Agreements in the federal jurisdiction recorded an average duration of 36 months, whereas agreements in provincial jurisdictions had an average duration of 46 months. Amongst all industries, public administration had the longest contracts with an average duration of 51.3 months (Chart 12).

Chart 12: Duration of collective agreements by industry, 2013 and 2014



In 2014, the proportion of agreements settled with an average duration of four years and above increased significantly to 51.1% from 30.0% in 2013. The proportion of those settled for two to four years fell from 67.6% in 2013 to 46.7% in 2014. A majority (83%) of 2014 agreements had a duration of more than three years (Chart 13).

Chart 13: Duration of collective agreements, 2013 and 2014



CLAUSES OF INTEREST IN COLLECTIVE AGREEMENTS[16]

Both employers and unions are keenly interested in adapting to new social and economic realities by developing innovative clauses during collective bargaining. The following are some of such clauses identified in Canadian collective agreements negotiated in 2014.

Leave clauses

- ***Bereavement leave***: The Manitoba Teachers' Society and the St. James-Assiniboia School Division negotiated a new clause to allow 630 elementary and secondary school-teachers to have an additional day of leave with pay annually on the event of a death among friends and neighbours.
- ***Medical donor leave:*** The government of Saskatchewan and the Canadian Union of Public Employees (CUPE) agreed on a new medical donor leave clause. The clause allows employees donating bone marrow or an organ to have paid time-off in their post-operative healing period.
- ***Paid leave for official duty***: The Regional Health Authorities and the Manitoba Nurses' Union negotiated clauses which would enable the nurses to take paid leave for both *escort duty* and *witness duty*. Prior to this new clause, nurses were required to take unpaid leave as a consequence of these types of workplace responsibilities.
- ***Parental leave***: The City of Regina and CUPE have agreed upon a new clause in relation to parental leave. The new clause allows permanent employees with at least one year of service, who are on maternity, parental, or adoption leave, to receive a supplemental allowance of 10% of their regular pay - provided that they sign a one-year return of service agreement.
- ***Leave to participate in competitions***: The Government of Nova Scotia and its volunteer firefighters added a new clause to their collective agreement to make it easier for employees to attend international firefighting competitions. Under this clause, every consideration would be given (subject to operational needs) to grant a leave of absence to employees participating as athletes or officials at international contests.

Electronic monitoring

In the same contract noted above, The Manitoba Teachers' Society and the St. James-Assiniboia School Division also agreed to a clause that prohibits the employer from using data obtained from Global Positioning Systems to discipline employees.

Employee motivation

The Saskatchewan Association of Health Organizations and the Service Employees International Union negotiated a new clause that would allow the union to provide input into the development of any mentorship program. The new paid orientation sessions and joint employer-employee curriculum development would create an opportunity for active engagement in training and mentorship by the union.

Multiculturalism fund

JBS Lakeside Canada Inc. agreed to make $15,000 available to employees of the United Food and Commercial Workers in the initial year of their contracts—and smaller amounts in subsequent years—for the development of a multiculturalism fund. The parties also agreed to establish a new labour-management committee to discuss the company's use of the Temporary Foreign Worker Program.

Bonus pay

Tbay Tel and the International Brotherhood of Electrical Workers negotiated a new performance-based incentive program to provide workers with an annual bonus of 0.5% to 1.5% of regular earnings and overtime. An audit committee will decide the exact bonus amount based on the company's performance against several measures.

[16] Clauses of interest in collective agreements represent innovative solutions for the parties including: labour-management co-operation; organization of work (e.g. functional flexibility, team work); working-time management; training; compensation; etc.

WORK STOPPAGES

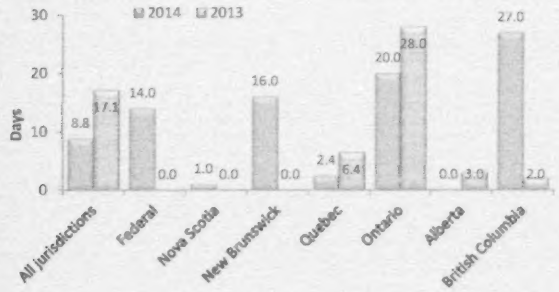
Between January and December 2014, there were 16 major work stoppages, involving 70,091 employees. Only one of those work stoppages was in the federal jurisdiction and involved 536 employees of Cameco Corporation in Saskatchewan.

Work stoppages in 2014 resulted in 1,248,040 person-days-not-worked (PDNW),[17] with an average duration of 8.8 days. Private-sector work stoppages were longer in duration (14.4 days) than public-sector stoppages (6.2 days). Reflecting the fact that the majority of negotiations in 2014 took place in the public sector, most of the work stoppages (69%) also occurred in the public sector.

PDNW in 2014 increased by 40% from 2013 and was at its highest level since 2009. This significant increase in PDNW in 2014 was due to the prolonged strikes staged by 42,450 public school teachers in British Columbia. The province itself accounted for 92% of PDNW in 2014.

The longest work stoppage duration was recorded in British Columbia (27 days), followed by Ontario (20 days), and New Brunswick (16 days). The only work stoppage in the federal jurisdiction lasted 14 days (Chart 14).

Chart 14: Duration of work stoppages by jurisdiction



[17] PDNW is calculated by multiplying the duration of the strike (in days) by the number of workers involved in the stoppage.

By industry, the largest proportion of work stoppages took place in EHSS (seven work stoppages). There were four work stoppages in public administration, three in manufacturing, and one each in the primary, and entertainment and hospitality industries

Although not nearly as long as the 2013 duration, the average work stoppage duration was highest in the manufacturing industry (19.0 days). Amongst industries that experienced a work stoppage, the lowest average duration (1.0 days) was in entertainment and hospitality (Chart 15).

Chart 15: Duration of work stoppages by industry

UNION COVERAGE IN CANADA

Overall coverage

In 2014, a total of 4.6 million workers were covered by collective agreements, a decrease of 1.5% compared to 2013. This corresponds to a union coverage rate of 30.4%, down from 31.1% in 2013 (Table 2).

Both the public and private sectors experienced a decrease in union coverage from 2013 to 2014. In the public sector, coverage declined from 75.2% to 74.8% and in the private sector it decreased from 17.5% to 16.8%.

Table 2: Union coverage by province, 2013-2014

	Workers covered (000's)		Union coverage (percentage)	
	2013	2014	2013	2014
Canada	4,658.9	4,587.0	31.1	30.4
Newfoundland and Labrador	88.0	81.4	40.1	37.8
Prince Edward Island	21.6	20.3	34.5	32.3
Nova Scotia	117.5	119.3	30.1	30.8
New Brunswick	90.8	88.8	28.9	28.6
Quebec	1,389.7	1,376.6	39.6	39.3
Ontario	1,604.4	1,572.4	27.8	27.0
Manitoba	192.0	192.4	35.6	35.4
Saskatchewan	157.3	153.4	34.3	33.3
Alberta	418.4	418.5	22.6	22.1
British Columbia	579.3	564.0	31.3	30.0

Source: Statistics Canada, Labour Force Survey (CANSIM, table 282-0078).

Union coverage by province

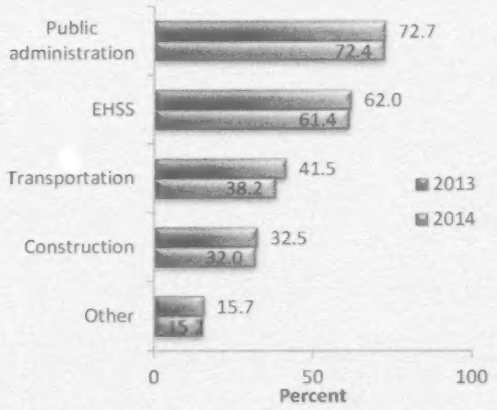
Union coverage declined slightly from 2013 to 2014 in all provinces except Nova Scotia, which saw an increase of nearly one percentage point. The biggest decline in union coverage (2.4 percentage points) was in Newfoundland and Labrador.

Union coverage by industry

The public administration industry remained the most highly unionized, with 72.4% of employees covered by a collective agreement (Chart 16).

No industry saw an increase in unionization from 2013 to 2014. The largest decrease occurred in the transportation industry, which saw its unionization rate drop by 3.3 percentage points.

Chart 16: Union density, by industry[18], 2013 and 2014



Source: Statistics Canada, Labour Force Survey, (CANSIM, table 282-0078).[19]

Union congresses, affiliations, and mergers

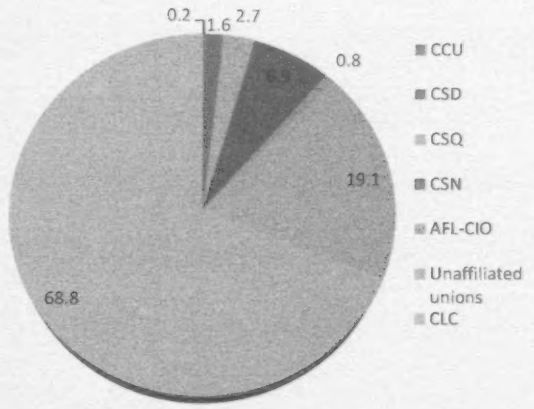
Unions affiliate with labour congresses for a variety of purposes, including: access to research, analysis, education, advocacy; and representation at national and international levels.

In 2014, the Canadian Labour Congress (CLC) represented the majority (68.8%) of workers covered by collective agreements (Chart 17). This rate is virtually unchanged from 2013 (68.9%). The percentage of covered workers who were not affiliated with a congress increased slightly from 18.8% in 2013 to 19.1% in 2014.

[18] Employees in the public administration; education, health, and social services; transportation; and construction industries make up 89% of all employees who were covered by agreements settled in 2014. All other industries have been categorized as "Other."

[19] Statistics Canada reports separately on employees in the educational services, and the health care and social assistance, as defined by the North American Industry Classification System (NAICS). The Labour Program groups these two industry categories together to form the education, health, and social services (EHSS) industry group.

Chart 17: Union congress[20] affiliation in Canada, 2014



In 2014, four unions who were previously unaffiliated with any labour congress became affiliated:

- the Association des professeurs(es) du Campus Notre-Dame-de-Foy (115 members) affiliated with the Confédération des syndicats nationaux (CSN);
- the Syndicat des professeures et professeurs de l'Université du Québec en Outaouais (222 members) affiliated with the CSN;
- the Syndicat des salariés de Vic Royal (241 members) affiliated with the Centrale des syndicats démocratiques (CSD); and
- the Syndicat des employées et employés professionnels-les et de bureau-Québec-local 610 (432 members) affiliated with the CLC.

One union merger occurred during 2014:[21] the Wilfrid Laurier University Staff Association and its 583 members joined the Ontario Secondary School Teachers' Federation.

LOOKING AHEAD

The Labour Program anticipates moderate collective bargaining activities in 2015.[22] Approximately two million employees will negotiate nearly 650 collective agreements. Of these, around 85 agreements, covering 322,921 employees in the federal jurisdiction, will be up for negotiation in 2015.

Wages are expected to be at the centre of all major collective bargaining negotiations in 2015. The Labour Program forecasts the average wage adjustment for the major collective agreement negotiations scheduled for 2015 to be 1.8%. Employees who ratify their agreements in 2015 may find their real wage declining over the life of these contracts, should inflation remain around the Bank of Canada's target of 2.0%.

Economic growth will also be top of mind for both employers and unions in 2015 and beyond. In April, the Bank of Canada reported that the economy had "stalled" in the first quarter of 2015 due to the drop in oil prices.[23] However, the Bank predicts that GDP growth will pick up in the second quarter of 2015 and grow at a rate between 1.9% and 2.5% through to 2017. This growth could be buoyed by the better momentum of the US economy. The improved US economy, combined with lower value of the Canadian dollar, could result in an increased demand for Canadian exports in 2015, potentially positively impacting job growth in Canada.

On the other hand, as a net oil exporter, some provinces' job markets are sensitive to oil prices. Should the price of oil remain low, unemployment, especially in oil-producing regions, is likely to rise. Since oil prices heavily influence the Alberta economy (and to a lesser extent, those of Saskatchewan and Newfoundland and Labrador), the unstable oil market may erode investors' and consumers'

[20] Confederation of Canadian Unions (CCU); Centrale des syndicats démocratiques (CSD); Centrale des syndicats du Québec (CSQ); Confédération des syndicats nationaux (CSN); American Federation of Labor and Congress of Industrial Organizations (AFL-CIO); Canadian Labour Congress (CLC)
[21] Based on available information at the time of publication.

[22] Forecast completed in November 2014.
[23] Bank of Canada (April 2015), *Monetary Policy Report Summary*.

confidence and slow down job growth and the real estate market in the province. In addition, a significant portion of both provincial and federal governments' income is collected through royalties and taxes on the oil and gas industry. A decrease in government income may lead governments to more vigorously attempt to contain wage costs.

The Conference Board expects[24] wages, productivity, and business competitiveness to be employers' top priorities in 2015. Unions are expected to focus on wages, employment security, and health benefits. Besides wages, few other issues are predicted to draw considerable attention at the bargaining table. Sick leave provisions and pension liabilities are expected to be a talking point in the public-sector negotiations, while mental health in the workplace and work-related stress could be emphasized by private sector employees. The ageing workforce will continue to be a challenge for the labour market as a whole. How this issue will impact the outcomes of bargaining in 2015 remains to be seen.

[24] Conference Board of Canada (2014), Canada's Compensation Planning Outlook 2015.